# SCHLEY COUNTY, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT
## FOR THE YEAR ENDED
## JUNE 30, 2024

**SCHLEY COUNTY, GEORGIA**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**FOR THE YEAR ENDED JUNE 30, 2024**

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Schley County
Ellaville, Georgia

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Schley County, Georgia (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Schley County Health Department, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, in accordance with *Government Auditing Standards,* whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the aggregate discretely presented component unit, is based solely on the reports of the other auditors.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of the Changes in the County's Net Pension Liability and Related Ratios, the Schedule of County Contributions, the budgetary comparison schedules for the General Fund and ARPA Grant Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements for nonmajor governmental funds, and the combining fiduciary fund financial statements, the combining component unit financial statements, and schedule of projects constructed with proceeds from special purpose local option sales tax as required by the Official Code of Georgia Annotated ("O.C.G.A") 48-8-121 as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, combining and individual fund financial statements for nonmajor governmental funds, and the combining fiduciary fund financial statements, the combining component unit financial statements, and schedule of projects constructed with proceeds from special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Information***

Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
December 30, 2024

## SCHLEY COUNTY, GEORGIA
## STATEMENT OF NET POSITION
## JUNE 30, 2024

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| **ASSETS** | **Governmental Activities** | **Business-type Activities** | **Total** | **Schley County Department of Public Health** |
| Cash and cash equivalents | $ 1 333 013 | $ 69 503 | $ 1 402 516 | $ 248 180 |
| Restricted cash | 15 308 | 89 118 | 104 426 | - |
| Receivables (net of allowance for uncollectibles) | 168 846 | 51 841 | 220 687 | 150 |
| Intergovernmental receivables | 116 298 | - | 116 298 | 14 344 |
| Due from other funds | - | 88 130 | 88 130 | - |
| Inventories | 14 760 | 19 239 | 33 999 | - |
| Capital assets, nondepreciable | 756 670 | 254 041 | 1 010 711 | - |
| Capital assets, depreciable, net of accumulated depreciation | 2 902 031 | 9 116 442 | 12 018 473 | 21 846 |
| Total assets | 5 306 926 | 9 688 314 | 14 995 240 | 284 520 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Pension related items | 76 486 | 11 980 | 88 466 | 8 402 |
| Total deferred outflows of resources | 76 486 | 11 980 | 88 466 | 8 402 |
| **LIABILITIES** | | | | |
| Accounts payable | 28 080 | 20 608 | 48 688 | - |
| Accrued liabilities | 35 699 | 3 046 | 38 745 | - |
| Accrued interest payable | 3 901 | 16 820 | 20 721 | - |
| Customer deposits payable | - | 86 959 | 86 959 | - |
| Unearned revenue | 24 391 | 21 205 | 45 596 | - |
| Intergovernmental payable | 13 412 | - | 13 412 | 198 |
| Due to other funds | 88 130 | - | 88 130 | - |
| Noncurrent liabilities due within one year | | | | |
| Compensated absences | 15 467 | 2 866 | 18 333 | - |
| Lease liabilities | 42 772 | - | 42 772 | - |
| Subscriptions payable | 6 947 | - | 6 947 | - |
| Note payable | - | 16 177 | 16 177 | - |
| Short-term loan | 100 000 | 455 247 | 555 247 | - |
| Bonds payable | - | 139 157 | 139 157 | - |
| Landfill liability | 32 400 | - | 32 400 | |
| Noncurrent liabilities due in more than one year | | | | |
| Compensated absences payable | 46 220 | 956 | 47 176 | - |
| Lease liabilities | 146 821 | - | 146 821 | - |
| Note payable | - | 253 030 | 253 030 | - |
| Bonds payable | - | 5 567 525 | 5 567 525 | - |
| Landfill liability | 32 997 | - | 32 997 | - |
| Net pension liability | 205 166 | 32 129 | 237 295 | - |
| Total liabilities | 822 402 | 6 615 725 | 7 438 127 | 198 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | - |
| Pension related items | 26 292 | 4 117 | 30 409 | 53 343 |
| Total deferred inflows of resources | 26 292 | 4 117 | 30 409 | 53 343 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 3 462 162 | 3 394 594 | 6 856 756 | 21 846 |
| Restricted for: | | | | |
| Debt service | 15 308 | - | 15 308 | - |
| Judicial purposes | 36 392 | - | 36 392 | - |
| Culture and recreation | 30 190 | - | 30 190 | - |
| Transportation | 219 697 | - | 219 697 | - |
| Health and welfare purposes | - | - | - | 67 038 |
| Capital projects | 744 694 | - | 744 694 | - |
| Unrestricted | 26 275 | (314 142) | (287 867) | 150 497 |
| Total net position | $ 4 534 718 | $ 3 080 452 | $ 7 615 170 | $ 239 381 |

**The accompanying notes are an integral part of these financial statements.**

SCHLEY COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | |
| **Functions/Programs** | **Expenses** | **Fees, Fines & Charges for Services** | **Operating Grants and Contributions** | **Capital Grants and Contributions** | **Governmental Activities** | **Business-type Activities** | **Total** | **Schley County Department of Public Health** |
| Governmental activities: | | | | | | | | |
| General government | $ 1 596 541 | $ 66 050 | $ - | $ - | $ (1 530 491) | $ - | $ (1 530 491) | $ - |
| Judicial | 390 161 | 105 736 | - | - | (284 425) | - | (284 425) | - |
| Public safety | 1 786 658 | 578 686 | 19 170 | - | (1 188 802) | - | (1 188 802) | - |
| Public works | 707 648 | 153 097 | 150 000 | 520 983 | 116 432 | - | 116 432 | - |
| Culture and recreation | 87 545 | - | - | - | (87 545) | - | (87 545) | - |
| Health and welfare | 52 498 | - | - | - | (52 498) | - | (52 498) | - |
| Housing and development | 25 471 | 26 173 | - | - | 702 | - | 702 | - |
| Interest and fiscal charges | 13 043 | - | - | - | (13 043) | - | (13 043) | - |
| Total governmental activities | 4 659 565 | 929 742 | 169 170 | 520 983 | (3 039 670) | - | (3 039 670) | - |
| Business-type activities: | | | | | | | | |
| Utilities Authority Water Fund | 766 562 | 501 565 | - | - | - | (264 997) | (264 997) | - |
| Sanitation Department | 292 173 | 208 556 | - | - | - | (83 617) | (83 617) | - |
| Total business-type activities | 1 058 735 | 710 121 | - | - | - | (348 614) | (348 614) | - |
| Total primary government | 5 718 300 | 1 639 863 | 169 170 | 520 983 | (3 039 670) | (348 614) | (3 388 284) | - |
| **Component units:** | | | | | | | | |
| Schley County Department of Public Health | 280 174 | 172 009 | 117 620 | - | - | - | - | 9 455 |
| Total component units | $ 280 174 | $ 172 009 | $ 117 620 | $ - | - | - | - | 9 455 |
| General revenues: | | | | | | | | |
| Property and timber taxes | | | | | 1 424 871 | - | 1 424 871 | - |
| Motor vehicle and mobile home taxes | | | | | 326 227 | - | 326 227 | - |
| Sales taxes | | | | | 1 289 684 | - | 1 289 684 | - |
| Insurance premium taxes | | | | | 242 628 | - | 242 628 | - |
| Other taxes | | | | | 155 125 | - | 155 125 | - |
| Allotments from Participating Local Government | | | | | - | - | - | 29 000 |
| Interest income | | | | | 166 | - | 166 | - |
| Rental income | | | | | 35 918 | - | 35 918 | - |
| Gain on sale of capital assets | | | | | 26 781 | - | 26 781 | - |
| Capital contributions | | | | | - | 319 298 | 319 298 | - |
| Miscellaneous | | | | | 42 215 | - | 42 215 | - |
| Transfers | | | | | (148 469) | 148 469 | - | - |
| Total general revenues and transfers | | | | | 3 395 146 | 467 767 | 3 862 913 | 29 000 |
| Change in net position | | | | | 355 476 | 119 153 | 474 628 | 38 455 |
| Net position, beginning of year | | | | | 4 179 242 | 2 961 299 | 7 140 541 | 200 926 |
| Net position, end of year | | | | | $ 4 534 718 | $ 3 080 452 | $ 7 615 169 | $ 239 381 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**JUNE 30, 2024**

| **ASSETS** | **General Fund** | **ARPA Fund** | **Capital Projects Fund** | **T-SPLOST Fund** | **SPLOST Fund** | **Nonmajor Governmental Funds** | **Total** |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ 362 574 | $ 24 391 | $ 229 859 | $ 158 209 | $ 463 070 | $ 94 910 | $ 1 333 013 |
| Restricted cash | 15 308 | - | - | - | - | - | 15 308 |
| Receivables (net of allowance for uncollectibles) | 168 846 | - | - | - | - | - | 168 846 |
| Intergovernmental receivables | 33 966 | - | - | 32 441 | 49 891 | - | 116 298 |
| Due from other funds | 3 937 | - | - | 27 389 | - | - | 31 326 |
| Inventories | 8 220 | - | - | 6 540 | - | - | 14 760 |
| Total assets | 592 851 | 24 391 | 229 859 | 224 579 | 512 961 | 94 910 | 1 679 551 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | | | |
| **LIABILITIES** | | | | | | | |
| Accounts payable | 28 080 | - | - | - | - | - | 28 080 |
| Accrued liabilities | 35 699 | - | - | - | - | - | 35 699 |
| Accrued interest payable | 3 901 | - | - | - | - | - | 3 901 |
| Unearned revenue | - | 24 391 | - | - | - | - | 24 391 |
| Due to other funds | 113 625 | - | - | 4 882 | 949 | - | 119 456 |
| Intergovernmental payable | - | - | - | - | 13 412 | - | 13 412 |
| Total liabilities | 181 305 | 24 391 | - | 4 882 | 14 361 | - | 224 939 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | | |
| Unavailable revenue - taxes | 73 245 | - | - | - | - | - | 73 245 |
| Total deferred inflows of resources | 73 245 | - | - | - | - | - | 73 245 |
| **FUND BALANCES** | | | | | | | |
| Fund balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventories | 8 220 | - | - | - | - | - | 8 220 |
| Restricted: | | | | | | | |
| Judicial purposes | - | - | - | - | - | 36 392 | 36 392 |
| Public safety | - | - | - | - | - | 30 190 | 30 190 |
| Transportation | - | - | - | 219 697 | - | - | 219 697 |
| Debt service | 15 308 | - | - | - | - | - | 15 308 |
| Capital projects | - | - | 229 859 | - | 498 600 | 16 235 | 744 694 |
| Committed: | - | - | - | - | - | 4 911 | 4 911 |
| Assigned: | | | | | | | |
| Public safety | - | - | - | - | - | 7 182 | 7 182 |
| Unassigned | 314 773 | - | - | - | - | - | 314 773 |
| Total fund balances | 338 301 | - | 229 859 | 219 697 | 498 600 | 94 910 | 1 381 367 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 592 851 | $ 24 391 | $ 229 859 | $ 224 579 | $ 512 961 | $ 94 910 | |

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 3 658 701 |
| Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds. | 73 245 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (423 623) |
| The deferred outflows of resources, deferred inflows of resources, and net pension liability related to the County's the pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds. | (154 972) |
| Net position of governmental activities | $ 4 534 718 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | General Fund | ARPA Fund | Capital Projects Fund | T-SPLOST Fund | SPLOST Fund | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | | |
| Property and timber taxes | $ 1 381 959 | $ - | $ - | $ - | $ - | $ - | $ 1 381 959 |
| Motor vehicle and mobile home taxes | 61 907 | - | - | - | - | - | 61 907 |
| Title ad valorem tax | 264 320 | - | - | - | - | - | 264 320 |
| Sales tax | 362 696 | - | - | 398 099 | 528 889 | - | 1 289 684 |
| Insurance premium tax | 242 628 | - | - | - | - | - | 242 628 |
| Financial institutions tax | 19 545 | - | - | - | - | - | 19 545 |
| Other taxes | 135 590 | - | - | - | - | - | 135 590 |
| Licenses and permits | 26 173 | - | - | - | - | - | 26 173 |
| Intergovernmental revenue | 19 170 | 150 000 | 520 891 | - | - | - | 690 061 |
| Charges for services | 867 822 | - | - | - | - | - | 867 822 |
| Fines and forfeitures | 11 715 | - | - | - | - | 8 902 | 20 617 |
| Interest income | 155 | - | - | - | 92 | 11 | 258 |
| Miscellaneous | 78 171 | - | - | - | - | 15 088 | 93 259 |
| Total revenues | 3 471 851 | 150 000 | 520 891 | 398 099 | 528 981 | 24 001 | 5 093 823 |
| **EXPENDITURES:** | | | | | | | |
| Current operating expenditures | | | | | | | |
| General government | 1 215 740 | - | - | - | - | - | 1 215 740 |
| Judicial | 386 451 | - | - | - | - | 3 710 | 390 161 |
| Public safety | 1 661 390 | - | - | - | - | 9 781 | 1 671 171 |
| Public works | 346 960 | - | - | 287 159 | - | - | 634 119 |
| Health and welfare | 45 860 | - | - | - | - | - | 45 860 |
| Culture and recreation | 85 967 | - | - | - | - | - | 85 967 |
| Housing and development | 25 471 | - | - | - | - | - | 25 471 |
| Intergovernmental (City of Ellaville) | - | - | - | - | 179 859 | - | 179 859 |
| Capital outlay | 132 476 | - | 430 066 | 135 000 | 334 167 | 5 355 | 1 037 065 |
| Debt service: | | | | | | | |
| Principal repayments | 10 100 | - | - | 19 008 | - | - | 29 108 |
| Interest and fiscal charges | 4 481 | - | - | 1 975 | - | - | 6 456 |
| Total expenditures | 3 914 896 | - | 430 066 | 443 142 | 514 026 | 18 846 | 5 320 977 |
| Excess (deficiency) of revenues over expenditures | (443 045) | 150 000 | 90 825 | (45 043) | 14 955 | 5 155 | (227 153) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | | |
| Proceeds from sale of capital assets | 34 445 | - | - | - | - | - | 34 445 |
| Issuance of long-term debt | 232 476 | - | - | - | - | - | 232 476 |
| Transfers in | 196 766 | - | - | - | - | - | 196 767 |
| Transfers out | (148 469) | (150 000) | (46 766) | - | - | - | (345 235) |
| Total other financing sources (uses) | 315 218 | (150 000) | (46 766) | - | - | - | 118 453 |
| Net change in fund balances | (127 827) | - | 44 059 | (45 043) | 14 955 | 5 155 | (108 701) |
| **FUND BALANCES, AT JUNE 30, 2023, AS PREVIOUSLY STATED** | 651 928 | - | - | 264 740 | 483 645 | 89 755 | 1 490 068 |
| Change within financial reporting entity (new Capital Projects Fund) | (185 800) | - | 185 800 | - | - | - | - |
| **FUND BALANCES, AT JUNE 30, 2023, AS RESTATED** | 466 128 | - | 185 800 | 264 740 | 483 645 | 89 755 | 1 490 068 |
| **FUND BALANCES, END OF YEAR** | $ 338 301 | $ - | $ 229 859 | $ 219 697 | $ 498 600 | $ 94 910 | $ 1 381 367 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2024**

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | $ | (108 701) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | 612 923 |
| Disposal of capital assets | | (7 667) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 42 902 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | (209 955) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Compensated absences | | 19 519 |
| Net pension liability | | (20 048) |
| Landfill expenditures | | 26 503 |
| Change in net position - governmental activities | $ | 355 476 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**JUNE 30, 2024**

| ASSETS | Utilities Authority Water Fund | Sanitation Fund | Total |
|---|---|---|---|
| Current assets: | | | |
| Cash and cash equivalents | $ 47 158 | $ 22 345 | $ 69 503 |
| Restricted cash | 89 118 | - | 89 118 |
| Receivables (net of allowance for uncollectibles) | 33 076 | 18 765 | 51 841 |
| Due from other funds | 99 731 | - | 99 731 |
| Inventories | 19 239 | - | 19 239 |
| Total current assets | 288 322 | 41 110 | 310 193 |
| Noncurrent assets | | | |
| Capital assets, not being depreciated | 254 041 | - | 254 041 |
| Capital assets, being depreciated | 9 116 442 | - | 9 116 442 |
| Total noncurrent assets | 9 370 483 | - | 9 370 483 |
| Total assets | 9 658 805 | 41 110 | 9 680 676 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Pension related items | 9 290 | 2 690 | 11 980 |
| Total deferred outflows of resources | 9 290 | 2 690 | 11 980 |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Accounts payable | - | 20 608 | 20 608 |
| Accrued liabilities | 2 437 | 609 | 3 046 |
| Accrued interest payable | 16 820 | - | 16 820 |
| Customer water deposits | 86 959 | - | 86 959 |
| Due to other funds | - | 11 601 | 11 601 |
| Unearned revenue | 21 205 | - | 21 205 |
| Short-term loan | 455 247 | - | 455 247 |
| Notes payable | 16 177 | - | 16 177 |
| Bonds payable | 139 157 | - | 139 157 |
| Compensated absences | 2 484 | 382 | 2 866 |
| Total current liabilities | 740 486 | 33 200 | 773 686 |
| Long-term liabilities: | | | |
| Compensated absences | 828 | 128 | 956 |
| Notes payable | 253 030 | - | 253 030 |
| Bonds payable | 5 567 525 | - | 5 567 525 |
| Net pension liability | 24 915 | 7 214 | 32 129 |
| Total long-term liabilities | 5 846 298 | 7 342 | 5 853 640 |
| Total liabilities | 6 586 784 | 40 542 | 6 627 326 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Pension related items | 3 193 | 924 | 4 117 |
| Total deferred inflows of resources | 3 193 | 924 | 4 117 |
| **NET POSITION** | | | |
| Net investment in capital assets | 3 394 594 | - | 3 394 594 |
| Unrestricted | (316 476) | 2 334 | (314 142) |
| Total net position | $ 3 078 118 | $ 2 334 | 3 080 452 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**STATEMENT OF REVENUES, EXPENSES, AND**
**CHANGES IN FUND NET POSITION**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | Utilities Authority Water Fund | Sanitation Fund | Total |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for services | | | |
| Charges for services | $ 417 269 | $ 202 506 | $ 619 775 |
| Water tap-on and other fees | 23 145 | - | 23 145 |
| Other fees | 61 151 | 6 050 | 67 201 |
| Total operating revenues | 501 565 | 208 556 | 710 121 |
| **OPERATING EXPENSES** | | | |
| Personnel services | 67 085 | 11 401 | 78 486 |
| Material and Supplies | 21 244 | - | 21 244 |
| Maintenance, Operations and Contracted Services | 162 778 | 280 772 | 443 550 |
| Depreciation | 327 547 | - | 327 547 |
| Total operating expenses | 578 654 | 292 173 | 870 827 |
| Operating income (loss) | (77 089) | (83 617) | (160 706) |
| **NONOPERATING REVENUES (EXPENSES)** | | | |
| Capital contributions | 319 299 | - | 319 299 |
| Interest expense and issuance costs | (187 909) | - | (187 909) |
| Total nonoperating revenues (expenses) | 131 390 | - | 131 390 |
| **INCOME (LOSS) BEFORE TRANSFERS** | 54 301 | (83 617) | (29 316) |
| Transfers in | 134 380 | 14 089 | 148 469 |
| Total transfers | 134 380 | 14 089 | 148 469 |
| Change in net position | 188 681 | (69 528) | 119 153 |
| **NET POSITION, beginning of year** | 2 889 437 | 71 862 | 2 961 299 |
| **NET POSITION, end of year** | $ 3 078 118 | $ 2 334 | $ 3 080 452 |

**The accompanying notes are an integral part of these financial statements.**

SCHLEY COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| | Utilities Authority Water Fund | Sanitation Fund | Total |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | $ 533 217 | $ 262 036 | $ 795 253 |
| Payments to suppliers and service providers | (277 678) | (271 024) | (548 702) |
| Payments to employees | (58 338) | (6 146) | (64 484) |
| Net cash provided (used in) by operating activities | 197 201 | (15 134) | 182 067 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Purchase of capital assets | (244 041) | - | (244 041) |
| Principal payments on long-term debt | (469 612) | - | (469 612) |
| Capital contributions | 319 299 | - | 319 299 |
| Proceeds from issuance of long-term debt | 300 000 | - | 300 000 |
| Interest and fiscal charges paid | (187 909) | - | (187 909) |
| Net cash used in capital and related financing activities | (282 263) | - | (282 263) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| Transfers in | 134 380 | 14 089 | 148 469 |
| Net cash provided by noncapital financing activities | 134 380 | 14 089 | 148 469 |
| Decrease in cash | 49 318 | (1 045) | 48 273 |
| **Cash:** | | | |
| Beginning of year | 86 958 | 23 390 | 110 348 |
| End of year | $ 136 276 | $ 22 345 | $ 158 621 |
| **Reconciliation of operating income (loss) to net cash provided by operating activities:** | | | |
| Operating income (loss) | $ (77 089) | $ (83 617) | $ (160 706) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation | 327 547 | - | 327 547 |
| (Increase) decrease in accounts receivable | 31 652 | 53 480 | 85 132 |
| (Increase) decrease in pension related deferred outflows of resources | 4 385 | 1 268 | 5 653 |
| Increase (decrease) in accounts payable | 941 | (20 608) | (19 667) |
| Increase (decrease) in accrued expenses | (863) | (194) | (1 057) |
| Increase (decrease) in customer deposits payable | (3 045) | - | (3 045) |
| Increase (decrease) in unearned revenue | (91 552) | 30 356 | (61 196) |
| Increase (decrease) in pension related deferred inflows of resources | (882) | (255) | (1 137) |
| Increase (decrease) in compensated absences | 3 276 | 3 617 | 6 893 |
| Increase (decrease) in net pension liability | 2 831 | 819 | 3 650 |
| Net cash provided by (used in) operating activities | $ 197 201 | $ (15 134) | $ 182 067 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**STATEMENT OF FIDUCIARY NET POSITION**
**CUSTODIAL FUNDS**
**JUNE 30, 2024**

| | | Custodial Funds |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ | 32 292 |
| Taxes receivable | | 189 525 |
| Total assets | | 221 817 |
| **LIABILITIES** | | |
| Current liabilities: | | |
| Due to other agencies | | 22 624 |
| Uncollected taxes | | 189 525 |
| Total liabilities | | 212 149 |
| **NET POSITION** | | |
| Restricted: | | |
| Individual organizations, and other governments | | 9 668 |
| Total net position | $ | 9 668 |

**The accompanying notes are an integral part of these financial statements.**

**SCHLEY COUNTY, GEORGIA**
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**CUSTODIAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | Custodial Funds |
|---|---|
| **ADDITIONS** | |
| Taxes collected for other governments | $ 3 790 344 |
| Court fines and fees collected for other agencies | 102 499 |
| Other custodial collections | 31 562 |
| Total additions | 3 924 405 |
| **DEDUCTIONS** | |
| Taxes paid to other governments | 3 790 344 |
| Court fines and fees disbursed to other agencies | 102 499 |
| Other custodial disbursements | 32 041 |
| Total deductions | 3 924 884 |
| Net decrease in fiduciary net position | (479) |
| **NET POSITION, beginning of year** | 10 147 |
| **NET POSITION, end of year** | $ 9 668 |

**The accompanying notes are an integral part of these financial statements.**

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Schley County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the County's accounting policies are described below.

### A. Reporting Entity

Schley County was established in 1857, and is a political subdivision of the State of Georgia. The County operates under the County Commissioner-Manager form of government. The County is governed by a five-member Board of Commissioners four of whom are elected to represent the four districts in the County plus one commissioner elected at large to serve as chairman. The Commissioners, who serve on a part-time basis, are elected to staggered terms of four years. The Commissioners have employed a full-time county manager who is responsible for the day-to-day operations of the general government including the proprietary funds. The Board of County Commissioners' regular monthly meeting is held on the second Tuesday morning of each month.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Schley County, Georgia (the primary government), and its component units. The primary government of the County consists of all funds, departments, boards and agencies of the County.

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units are discretely presented and are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Blended component units, although legally separate entities, are, in substance, part of the County's operations, and management of the County has operational responsibility for the component units. The following component unit is reported as blended:

***Schley County Utilities Authority Water Fund:*** By action of the Georgia State Legislature Senate Bill 220 was passed and subsequently signed by the Governor of Georgia establishing the Schley County Utilities Authority, a body corporate and a political subdivision of the State of Georgia and a public corporation. The effective date of the Authority was July 1, 2016. The Authority consists of five members, appointed by the Board of Commissioners of Schley County, all of whom are residents of Schley County. The powers of the authority include the operation and management of the current water system, to issue revenue bonds to finance and pay for the costs of construction, maintenance, and expansion of the Utilities Authority water system and, if established the Utilities Authority sewer system. All employees and water operations are performed by the County; therefore, financial data from the Authority are combined with the financial data of the primary government as a major enterprise fund.

**Discretely presented component units** generally are reported only at the government-wide financial reporting level. The component unit column included on the government-wide financial statements identifies the financial data of the County's discretely presented component unit. Component units are reported separately to emphasize that they are legally separate from the County. The following component unit is discretely presented in the reporting entity:

***Schley County Health Department (Health Department):*** Title 31, Chapter 3 of the Official Code of Georgia Annotated, establishes County Boards of Health and prescribes their powers, functions and membership. The Health Department is charged with determining the health needs and resources of the County, developing programs, activities, and facilities responsive to those needs, and enforcing all laws relating to health matters unless they fall under the jurisdiction of other agencies. The Board of Health is comprised of seven members whose, qualifications are stipulated in the Code. One member is a Schley County Commissioner, and three are appointed by the County Commission. The County does not have the authority to approve or modify the Health Department's budgets, however, it does have the ability to control the amount of funding it provides and such funding is significant to the operations of the Health Department. The Health Department issued separately audited financial statements with a fiscal year ended June 30, 2024. Copies of these financial statements may be obtained from the administrative office at: The Schley County Health Department, 45 W. Oglethorpe St., Suite B, Ellaville, Georgia 31806.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Discretely Presented Component Units**

**Excluded Potential Component Unit**

***Ellaville-Schley County Recreation Authority:*** Schley County and the City of Ellaville jointly contribute to the Ellaville-Schley County Recreation Authority funds to support the recreation program. The Authority Board is comprised of seven members, four are appointed by the Schley County Board of Commissioners and three are appointed by the City of Ellaville. The County does not have the authority to approve or modify the Recreation Authority's budgets, however, it does have the ability to control the amount of funding it provides, and such funding is significant to the operations of the Recreation Authority. During the year ended June 30, 2024, Schley County contributions were $40,000 cash, and provided the use of a County building for which the County pays utilities and upkeep for the Recreation Authority. Financial statements as of and for the year ended December 31, 2020, have not been prepared, however financial information for the Ellaville-Schley County Recreation Authority can be obtained from: Ellaville-Schley County Recreation Authority, P.O. Box 1144, Ellaville, Georgia 31806.

See Notes 14 & 15 for descriptions of relationships with organizations other than component units.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. Neither fiduciary funds nor fiduciary component units are included. In addition, the government-wide statement of activities reflects depreciation expense on the County’s capital assets.

**C. Measurement Focus, Basis of Accounting, and Basis of Presentation**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues* .

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* , as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

The corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

**D. Government-wide and Fund Financial Statements**

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. It also provides ambulance services and emergency medical services to the citizens of the County for which it charges a fee. This service is treated as an exchange transaction. Exchange transactions are those in which each party receives and gives up essentially equal values. The general fund's fund balance is available to the County for any purpose provided it is expensed or transferred according to the general laws of Georgia.

The ***SPLOST Fund*** is a capital projects fund which is used to collect a special 1% sales tax to pay for the following county-wide projects: renovation / expansion of the gymnasium, purchase a Class A pumper truck, purchase a new ambulance, renovations/expansion of other public buildings, purchase three sheriff vehicles, purchase of public works vehicles and equipment, renovation of public facilities including the fire stations, construction/expansion of County storage facilities, purchase of additional public safety vehicles, tools and equipment. An agreed upon percentage of the tax is allocated to the City of Ellaville for their capital purposes.

The ***Transportation SPLOST (T-SPLOST) Fund*** is used to collect allocations of a special 1% sales tax by the County for transportation projects as defined in paragraphs (10) of Code Section 48-8-242 or as the local match as required for state transportation projects and grants.

The ***ARPA Grant Fund*** is used to account for the revenues received from the American Rescue Plan Act. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID- 19 and in their efforts to contain impacts on their communities, residents, and businesses

**Capital Project Funds** accounts for financial resources to be used for the acquisition and construction of major capital projects.

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise funds. Operating revenues are charges for services, which result from exchange transactions associated with the principal activity of the fund. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. The major proprietary funds are as follows:

***Utilities Authority Water Fund*** - This fund is used to account for the operation of the County's water system which provides services to the residents and businesses located within Schley County and portions of Sumter County. It is a blended component unit; see Note 1.A. Schley County Utilities Authority on page 14.

***Sanitation Fund*** - This fund is used to account for the operations of the County's solid waste disposal program. The County contracts for the disposition of its solid waste.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are restricted or committed to expenditure for specific purposes. They include the ARPA Fund and the funds as disclosed in the Non-major governmental fund statements.

***Custodial Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as traffic fines, support payments and ad valorem and property taxes. They are accounted for using the accrual basis of accounting.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### D. Government-wide and Fund Financial Statements (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### E. Restricted Cash

Customer security deposits, and funds held in separate accounts required by bond covenants, are classified as restricted in the fund statements and the Statement of Net Position.

### F. Receivables and Payables

All trade receivables and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The provision of ambulance services to the citizens of Schley County is considered an exchange transaction; therefore, income earned is recognized in the period the service is rendered (net of allowance for uncollectible accounts) in both the fund financial statements (General Fund) and the government-wide financial statements.

### G. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The purpose of the interfund balances is to account for those transactions that have not been settled as of the financial statement date. These receivables and payables are classified as "due from other funds" or "due to other funds" on the respective fund's balance sheet and as internal balances on the statement of net position. All interfund balances shown are expected to be settled within one year.

### H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items.

### I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The County has not capitalized infrastructure assets (roads and bridges) acquired prior to July 1, 2003. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In the government-wide and proprietary funds financial statements, interest cost incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred. In the governmental fund financial statements, interest cost incurred before the end of a construction period is recognized as an expenditure on a basis consistent with governmental fund accounting principles.

All reported capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| Description | Useful Life |
|---|---|
| Vehicles | 4 - 8 years |
| Machinery and equipment | 5 - 12 years |
| Water plant and wells | 35 - 50 years |
| Buildings and plant | 45 - 50 years |
| Infrastructure | 50 years |
| Subscription software | Based on contract |

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Leases**

***Lessee***

A lease is recognized for noncancelable leases that are in place for longer than 12 months. The County recognizes a lease liability and a right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

· The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
· The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

***Lessor***

The County is a lessor for cancellable property leases. The County recognizes rental income at both the fund level and government-wide level of reporting.

**K. Subscription-based Information Technology Arrangements**

The County is a lessee for IT software subscriptions for the County's accounting software license. The County recognizes a subscription liability and a subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial,

At the commencement of a subscription agreement, the County initially measures the subscription liability at the present value of payments expected to be paid during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the subscription term.

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments:

· The County uses the interest rate charged by the IT provider as the discount rate. When the interest rate charged by the IT provider is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscription agreements.

· The subscription term includes the noncancellable period of the subscription term. Subscription payments included in the measurement
The County monitors changes in circumstances that would require a remeasurement of its subscription liability and will remeasure the subscription liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Under the full accrual method of accounting, the County has reported certain actuarial changes and the contributions to the defined benefit pension plan subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has reported various actuarial changes in its defined benefit pension plan. Additionally, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### M. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement subject to the stipulations and limits outlined in the personnel policies. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Employees accrue sick leave at the rate of one day for each month worked, and may accumulate up to 20 days. No liability accrues for unpaid accumulated sick leave.

All vacation pay is accrued when incurred in the government-wide and the proprietary fund financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

### N. Long-Term Obligations

In both the government-wide financial statements and in the proprietary fund type financial statements, all payables, accrued liabilities, and long-term obligations are reported in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. The face amount of long-term debt issued is reported as other financing sources. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

### O. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

**Fund Balance –** Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Committed* – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e., ordinance) of the Board of Commissioners. The same formal action is required to modify or rescind a fund balance commitment.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### O. Fund Equity (Continued)

*Assigned* – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board of Commissioners, through resolution, has delegated to the County Manager the authority to assign funds for a particular purpose.

*Unassigned* – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions –** When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

**Net Position** – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used or restricted fund balance as described in the section above. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

### P. Contributions of capital

Contributions of capital in proprietary fund financial statements arise from outside loan principal forgiveness, contributions of capital assets, grants, or other contributions of resources restricted to capital acquisition and construction.

### Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Schley County Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### R. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. New GASB pronouncements**

**GASB Standards Issued (June 2022 - September 2024)**

**1. GASB Statement No. 100 – Accounting Changes and Error Corrections**

**Issued:** June 2022
**Summary:** GASB 100 establishes guidance on accounting for and reporting changes in accounting principles, accounting estimates, and
**Effective Date:** Periods beginning after June 15, 2023.

**2. GASB Statement No. 101 – Compensated Absences**

**Issued:** October 2022
**Summary:** GASB 101 establishes updated guidance on recognizing and measuring compensated absences, which include paid leave
**Effective Date:** Periods beginning after December 15, 2023 (earlier application encouraged).

**3. GASB Statement No. 102 – Certain Risk Disclosures**

**Issued:** December 2023
**Summary:** GASB 102 focuses on improving transparency regarding risks arising from concentrations or constraints that could
**Effective Date:** Periods beginning after June 15, 2024 (earlier application encouraged).

**4. GASB Statement No. 103 – Financial Reporting Model Improvements**

**Issued:** April 2024
**Summary:** GASB Statement No. 103 introduces significant updates to the financial reporting model for state and local governments. Its
**Effective Date:** Periods beginning after June 15, 2025 (earlier application encouraged).

**5. GASB Statement No. 104 – Disclosure of Certain Capital Assets**

**Issued:** September 2024
**Summary:** GASB Statement No. 104 introduces new disclosure requirements for specific categories of capital assets in governmental
**Effective Date:** Periods beginning after June 15, 2025 (earlier application encouraged).

## NOTE 2 LEGAL COMPLIANCE – BUDGETS

### Budgetary Information

Schley County adopts an annual appropriated budget for the general fund on a basis consistent with generally accepted accounting principles. Annual budgets are also adopted for each special revenue fund as required by OCGA 36-81-3(b). The County Manager prepares the budget based on requests from department heads and elected officials, and submits it to the Board of County Commissioners for review. After conducting public hearings, the Commissioners adopt the budget by passing the budget resolution. The operating budget includes proposed expenditures and the means of financing them.

Annual operating budgets are adopted for the water fund, and the sanitation fund for planning, control and evaluation purposes. Budgets for the Capital Projects Funds (including the Capital Project, TSPLOST and SPLOST Funds) are adopted on a project basis.

The level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:
1. The County Commissioners may transfer funds from one object or purpose to another within the same department.
2. The Commissioners may amend the budget by motion up until the date that the financial statements are submitted.

### Excess of Expenditures over Appropriations

The following schedule presents excess of actual expenditures over the appropriations for the year ended June 30, 2024, at the department level (the legal level of control):

| **General Fund:** | **Original Budget** | **Final Budget** | **Actual** | **Variance** |
|---|---|---|---|---|
| General Government | 1 034 274 | 1 034 274 | 1 215 740 | (181 466) |
| Judicial | 365 559 | 365 559 | 386 451 | (20 892) |
| Public Safety | 1 345 898 | 1 345 898 | 1 661 390 | (315 492) |
| Public Works | 341 829 | 341 829 | 346 960 | (5 131) |
| **ARPA Fund:** | | | | |
| Transfers out | - | - | (150 000) | (150 000) |

The variance is as a result of increased salaries which were not budgeted for. The excesses were funded with revenue overages, existing unassigned fund balance and cost savings in other departments.

### Deficit Fund Equity

In the Enterprise fund, the Utilities Authority Water Fund unrestricted net deficit is due to operating expenditures and bond interest expense exceeding revenues. The Commissioners expect that the deficit in the Water Fund will not be corrected in future years, because new customers tap-on to the system are expected to continue to be substantially less than projected. Future operating deficits will be funded by transfers from the General Fund.

## NOTE 3 DEPOSITS AND INVESTMENTS

### Primary Government

*Credit risk* . State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2024, the financial institutions holding all of the County's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2024, all of the County's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

*Interest rate risk.* Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments. The County does not have a formal investment policy that addresses interest rate risk as a means of limiting its exposure to fair value losses arising from rising interest rates.

## NOTE 4 RECEIVABLES

**Primary Government**

Receivables at June 30, 2024, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

| | General Fund | TSPLOST Fund | SPLOST Fund | Total |
|---|---|---|---|---|
| *Receivables:* | | | | |
| Taxes | $ 89 042 | $ - | $ - | $ 89 042 |
| Intergovernmental | 33 966 | 32 441 | 49 891 | 116 298 |
| City of Ellaville | 1 657 | - | - | 1 657 |
| Accounts | 92 847 | - | - | 92 847 |
| Gross receivables | 217 512 | 32 441 | 49 891 | 299 844 |
| Less allowance for uncollectibles | (14 700) | - | - | (14 700) |
| Net receivable | $ 202 812 | $ 32 441 | $ 49 891 | $ 285 144 |

Property taxes for the 2024 fiscal year were levied in September 2023, with property values assessed as of January 1, 2023. Bills are payable on or before December 20, 2023, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of January 1, 2024.

The County bills and collects its own property taxes as well as taxes for the State, County School District, and the City of Ellaville. Collections of the County taxes and their remittances are accounted for in the Tax Commissioner's Custodial Fund.

**Business-type Activities**

Receivables at June 30, 2024, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

| | Water | Sanitation | Total |
|---|---|---|---|
| Receivables: | | | |
| Accounts | $ 35 403 | $ 20 085 | $ 55 488 |
| Gross receivables | 35 403 | 20 085 | 55 488 |
| Less allowance for uncollectibles | (2 327) | (1 320) | (3 647) |
| Net receivables | $ 33 076 | $ 18 765 | $ 51 841 |

## NOTE 5 CAPITAL ASSETS

Capital asset activity of governmental activities for the year ended June 30, 2024, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| *Capital assets, not being depreciated:* | | | | |
| Land | $ 282 123 | $ - | $ - | $ 282 123 |
| Construction in progress | 252 979 | 221 568 | - | 474 547 |
| Total capital assets, not being depreciated | 535 102 | 221 568 | - | 756 670 |
| *Capital assets, being depreciated:* | | | | |
| Buildings | 2 465 999 | - | (61 215) | 2 404 784 |
| Machinery and equipment* | 2 745 294 | - | (307 529) | 2 437 765 |
| Furniture and fixtures** | 192 831 | - | - | 192 831 |
| Infrastructure | 676 154 | 414 582 | - | 1 090 736 |
| Leased assets | 210 470 | 267 476 | - | 477 946 |
| Subscription software | 37 258 | - | - | 37 258 |
| Total capital assets, being depreciated | 6 328 006 | 682 058 | (368 744) | 6 641 320 |
| *Less accumulated depreciation for:* | | | | |
| Buildings | 1 288 666 | 66 252 | (53 551) | 1 301 367 |
| Machinery and equipment* | 2 105 732 | 162 874 | (307 529) | 1 961 077 |
| Furniture and fixtures** | 184 986 | 3 157 | - | 188 143 |
| Infrastructure | 181 434 | 14 214 | - | 195 648 |
| Leased assets | 47 606 | 36 754 | - | 84 360 |
| Subscription software | 1 242 | 7 452 | - | 8 694 |
| Total accumulated depreciation | 3 809 666 | 290 703 | (361 080) | 3 739 289 |
| Total capital assets, being depreciated, net | 2 518 340 | 391 355 | (7 664) | 2 902 031 |
| *Governmental activities capital assets, net* | $ 3 053 442 | $ 612 923 | $ (7 664) | $ 3 658 701 |

*Included leased assets in the previous year's financial statements.

**Included subscription assets in the previous year's financial statements.

## NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

| | | |
|---|---|---|
| Governmental activities: | | |
| General government | $ | 52 753 |
| Judicial | | - |
| Public safety | | 115 487 |
| Public works | | 100 033 |
| Infrastructure | | 14 214 |
| Health and welfare | | 6 638 |
| Culture and recreation | | 1 578 |
| Total depreciation expense - governmental activities | $ | 290 703 |

Capital asset activity of business-type activities for the year ended June 30, 2024, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-type Activities:** | | | | |
| *Capital assets, not being depreciated* | | | | |
| Land | $ 10 000 | $ - | $ - | $ 10 000 |
| Construction in progress | - | 244 041 | - | 244 041 |
| Total capital assets, not being depreciated | 10 000 | 244 041 | - | 254 041 |
| *Capital assets, being depreciated:* | | | | |
| Buildings and plant | 20 796 | - | - | 20 796 |
| Machinery and equipment | 168 250 | - | - | 168 250 |
| Furniture and fixtures | 10 206 | - | - | 10 206 |
| Water plant and wells | 14 241 310 | - | - | 14 241 310 |
| Total capital assets, being depreciated | 14 440 562 | - | - | 14 440 562 |
| *Less accumulated depreciation for:* | | | | |
| Buildings and plant | 8 076 | 416 | - | 8 492 |
| Machinery and equipment | 162 202 | 955 | - | 163 157 |
| Furniture and fixtures | 10 206 | - | - | 10 206 |
| Water plant and wells | 4 816 089 | 326 176 | - | 5 142 265 |
| Total accumulated depreciation | 4 996 573 | 327 547 | - | 5 324 120 |
| Total capital assets, being depreciated, | 9 443 989 | (327 547) | - | 9 116 442 |
| *Business-type activities capital assets, net* | $ 9 453 989 | $ (83 506) | $ - | $ 9 370 483 |

Depreciation expense was charged to functions/programs as follows:

| | | |
|---|---|---|
| Business-type activities: | | |
| Water Fund | $ | 327 547 |
| Sanitation Fund | | - |
| Total depreciation expense - business-type activities | $ | 327 547 |

## NOTE 6 LEASED ASSETS

A summary of leased asset activity for the year ended June 30, 2024, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| *Lease assets:* | | | | |
| Machinery and equipment | $ 210 470 | $ 267 476 | $ - | $ 477 946 |
| Total | 210 470 | 267 476 | - | 477 946 |
| *Less accumulated amortization:* | | | | |
| Machinery and equipment | 47 606 | 36 754 | - | 84 360 |
| Total | 47 606 | 36 754 | - | 84 360 |
| *Total lease assets, net* | $ 162 864 | $ 230 722 | $ - | $ 393 586 |

**NOTE 7 SUBSCRIPTION-BASED ASSETS**

A summary of subscription-based asset activity for the year ended June 30, 2024, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| *Subscription assets:* | | | | |
| Software | $ 37 258 | $ - | $ - | $ 37 258 |
| Total | 37 258 | - | - | 37 258 |
| | | | | |
| *Less accumulated amortization:* | | | | |
| Software | 1 242 | 7 452 | - | 8 694 |
| Total | 1 242 | 7 452 | - | 8 694 |
| | | | | |
| *Total subscription assets, net* | $ 36 016 | $ (7 452) | $ - | $ 28 564 |

**NOTE 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2024, is as follows:

| Receivable fund | Payable fund | Amount |
|---|---|---|
| TSPLOST Fund | General Fund | $ 26 440 |
| TSPLOST Fund | SPLOST Fund | 949 |
| General Fund | Sanitation Fund | 3 937 |
| Water Fund | General Fund | 87 185 |
| Water Fund | TSPLOST Fund | 4 882 |
| Water Fund | Sanitation Fund | 7 664 |
| | | $ 131 057 |

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The General Fund maintains a central payroll account through which salaries and wages and related taxes and benefits are paid for the general fund and the enterprise funds. The funds record receivables and payables for their share of reimbursable expenses and, when funds are available, they make reimbursements to the general fund

Interfund transfers for the year ended June 30, 2024 were as follows:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| Water Fund | General Fund | $ 134 380 |
| General Fund | Capital Projects Fund | 46 766 |
| General Fund | ARPA Fund | 150 000 |
| Sanitation Fund | General Fund | 14 089 |
| | | $ 331 146 |

Interfund transfers are used to: 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or the Business-type fund group.

The transfer from the General Fund to the Water Fund was for payment of principal and interest on the short-term bank loan and to supplement operating expenses.

## NOTE 9 LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2024:

| | Beginning Balance | Additions* | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Lease liabilities** | $ 69 537 | $ 132 476 | $ (12 421) | $ 189 592 | $ 42 772 |
| Subscriptions payable** | 17 047 | - | (10 100) | 6 947 | 6 947 |
| Tax anticipation note | - | 100 000 | - | 100 000 | 100 000 |
| Compensated absences | 81 206 | - | (19 519) | 61 687 | 15 467 |
| Net pension liability | 228 472 | - | (23 306) | 205 166 | - |
| Landfill postclosure costs | 91 900 | - | (26 503) | 65 397 | 32 400 |
| Total Governmental activities | $ 488 162 | $ 232 476 | $ (91 849) | $ 628 789 | $ 197 586 |

*The reduction noted for the compensated absences reflects the net change for the period.

**The prior year financial statements reflects a liability "Financed Purchases", however, for the current year financial statements the liabilities have been allocated between lease liabilities and subscription payable to align with the requirements of GASB87 and GASB96.

**Subscription payable (previously disclosed as financed purchases payable):** On January 26, 2021, the County signed a Georgia Municipal Capital Lease-Purchase Agreement for the purpose of financing "Financial Software". The lease calls for 48 monthly payments of $889.96, each which includes interest at 4.98% per annum. The software was placed in service on April 30, 2023 with a total cost of $37,257.50. Depreciation expense for the year ended June 30, 2024 was $7,452. The subscription payable is expected to be settled on 5 January 2025.

**Lease liability (previously disclosed as financed purchases payable):** On December 9, 2021, the County signed a Caterpillar Financial Services Equipment Lease-Purchase Agreement for the purpose of financing a 2021 Caterpillar Motor Grader. The lease calls for 59 monthly payments of $1,845.22, each which includes interest at 3.07% per annum. The Motor Grader's total cost was $210,470. Depreciation expense for the year ended June 30, 2024 was $30,067.

**Lease liability:** On April 9, 2024, the County signed an Atmax-Purchase Agreement for the purpose of financing a 2024 Mower Max Machine. The lease calls for 5 annual payments of $30,791.27, each which includes interest at 5.25% per annum. The Mower Max's total cost was $267,476.25. Depreciation expense for the year ended June 30, 2024 was $6,687.

**Landfill post-closure costs:** In 1996 the Schley County Municipal Solid Waste Landfill (MSWLF) was closed following the EPD Guidelines. In accordance with State and Federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2024, the County has 2 years of monitoring remaining. The County has contracted with a geotechnical, environmental and construction materials consultant to conduct post-closure monitoring and assessment. This work includes routine monitoring activity and contamination assessment. Based on the consultant's projections of the post-closure care costs for the remaining two years, management has estimated the liability to be $65,397. Actual costs may be higher due to changes in inflation, technology or applicable laws and regulations. Post-closure monitoring and assessment costs will be paid from the General and / or Sanitation Fund based on budget.

**Tax anticipation note:** On August 1, 2022, the Board of Commissioners authorized a Tax Anticipation Note (TAN), in the amount of $500,000 from a local bank. Interest at 5.25% is due on maturity. An amount of $100,000 was withdrawn on the loan for the year ended June 30, 2024. The maturity date is December 31, 2024.

The County's debt service requirements to maturity on the lease liabilities are as follows:

| Year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 42 772 | $ 10 162 | $ 52 934 |
| 2026 | 47 799 | 5 135 | 52 934 |
| 2027 | 37 978 | 3 885 | 41 863 |
| 2028 | 30 571 | 2 152 | 32 723 |
| 2029 | 30 472 | 319 | 30 791 |
| Total | $ 189 592 | $ 21 653 | $ 211 245 |

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

| Business-type Activities: | Beginning Balance | Additions* | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Note payable | 285 241 | - | (16 034) | 269 207 | 16 177 |
| Water revenue bonds | 5 834 925 | - | (128 243) | 5 706 682 | 139 157 |
| Tax anticipation note | 480 582 | 300 000 | (325 335) | 455 247 | 455 247 |
| Compensated absences | 10 715 | - | (6 893) | 3 822 | 956 |
| Net pension liability | 35 779 | - | (3 650) | 32 129 | - |
| Total Business-type activities | $ 6 647 242 | $ 300 000 | $ (480 155) | $ 6 467 087 | $ 611 537 |

*The addition noted for the compensated absences reflects the net change for the period.

Principal and interest payments related to the County's water enterprise fund are financed from income derived from the operation of the water system. The General fund provides supplemental financing as needed by way of interfund transfers.

**Tax anticipation note:** Used to provide operating cash and funds for installation of additional water lines. Revenues from the Water Fund will be used to repay these loans. The Board of Commissioners authorized a Tax Anticipation Note (TAN), in the amount of $300,000 from local bank. Interest at 7.00% is due on maturity. An amount of $500,000 was withdrawn on the loan for the year ended June 30, 2024. The maturity date is December 31, 2024. The short-term loan is not collateralized.

**Water revenue bonds - Series 2003:** On April 9, 2003, Schley County issued Water revenue bonds, Series 2003, in the principal amount of $1,594,600 to finance part of the cost of a county-wide water distribution, commonly referred to as Phase One. The registered owner of the Bonds is the United States Department of Agriculture, Rural Development. The Bonds are secured by a first and prior pledge of and charge or lien on the revenues of the Water System of Schley County. Beginning May 9, 2004, the County is required to make monthly payments of $7,240 which includes interest at 4.50% for a maximum of 468 payments.

As of June 30, 2024 the future payments for the 2003 Series Water Revenue Bonds are as follows:

| Year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 38 166 | $ 48 714 | $ 86 880 |
| 2026 | 39 920 | 46 960 | 86 880 |
| 2027 | 41 754 | 45 126 | 86 880 |
| 2028 | 43 672 | 43 208 | 86 880 |
| 2029 | 45 678 | 41 202 | 86 880 |
| 2030-2034 | 261 863 | 172 537 | 434 400 |
| 2035-2039 | 327 799 | 106 601 | 434 400 |
| 2040-2043 | 308 270 | 26 841 | 335 111 |
| Total | $ 1 107 122 | $ 531 189 | $ 1 638 311 |

**Water revenue bonds - Series 2017:** On February 21, 2017, Schley County issued Water revenue bonds, Series 2017, in the principal amount of $5,282,072.97 for the purpose of exchanging and cancelling the Series 2008 Bond. The issuance is duly authorized by resolutions of the Board of County Commissioners, adopted January 14, 2003 and January 19, 2017. The purpose of the bond is to finance part of the cost of a county-wide water distribution system, commonly referred to as Phase Two. The registered owner of the Bonds is the United States Department of Agriculture, Rural Development. The Bonds are secured by a first lien on the net revenues of the Water System of Schley County, on a parity with the lien thereon securing the Series 2003 bonds. Beginning March 21, 2017, the County is required to make monthly payments of $16,005 which includes interest at 2.00% for a maximum of 468 payments. Maturity is scheduled for March 21, 2057.

As of June 30, 2024 the future payments for the 2017 Series Water Revenue Bonds are as follows:

| Year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 100 991 | $ 91 069 | $ 192 060 |
| 2026 | 103 030 | 89 030 | 192 060 |
| 2027 | 105 109 | 86 951 | 192 060 |
| 2028 | 107 231 | 84 829 | 192 060 |
| 2029 | 109 395 | 82 665 | 192 060 |
| 2030-2034 | 581 002 | 379 298 | 960 300 |
| 2035-2039 | 642 053 | 318 247 | 960 300 |
| 2040-2044 | 709 519 | 250 781 | 960 300 |
| 2045-2049 | 784 075 | 176 225 | 960 300 |
| 2050-2054 | 866 465 | 93 836 | 960 300 |
| 2055-2057 | 490 691 | 13 390 | 504 081 |
| Total | $ 4 599 560 | $ 1 666 321 | $ 6 265 881 |

## NOTE 9 LONG-TERM DEBT (CONTINUED)

**Note payable:** On March 20, 2018, Schley County Utilities Authority obtained a loan from the Drinking Water State Revolving Fund administered by the Georgia Environmental Finance Authority ("GEFA") in the amount of $446,000. The loan was obtained for the purpose of treatment improvements to the Goolsby-Stevens Road. The project was completed and the loan was finalized on December 4, 2019. GEFA granted a $107,040 principal forgiveness, thus, the initial principal balance was $338,960. The terms of the loan are for monthly instalments of $1,542.28 which includes interest at 0.89% per annum. The maturity date is January 1, 2040.

As of June 30, 2024 the future payments for the note payable are as follows:

| Year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 16 177 | $ 2 330 | $ 18 507 |
| 2026 | 16 322 | 2 185 | 18 507 |
| 2027 | 16 468 | 2 039 | 18 507 |
| 2028 | 16 615 | 1 892 | 18 507 |
| 2029 | 16 763 | 1 744 | 18 507 |
| 2030-2034 | 86 091 | 6 446 | 92 537 |
| 2035-2039 | 90 007 | 2 530 | 92 537 |
| 2040 | 10 764 | 32 | 10 796 |
| Total | $ 269 207 | $ 19 198 | $ 288 405 |

## NOTE 10 PENSION PLAN

### Plan Description

The County has changed the plan and will no longer offer it to new employees starting June 30, 2023.

The County has established a non-contributory defined benefit pension plan, the Schley County Defined Benefit Plan (the Plan). All full-time employees meeting the provisions set out in the Adoption Agreement are eligible on the first day of the month coincident with or following the date the employee completes three years of service. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer public employees retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and the Trust oversees the administration, investment and funding of the ACCG Plan. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by County Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one year. Benefits vest after five years of service. A County employee who retires at age 65 with five years of service is entitled to benefits of 2% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to $30 for each year of service after reaching normal retirement age.

The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

*Plan Membership.* At December 31, 2023, the date of the most recent actuarial valuation, there were 29 participants consisting of the following:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 8 |
| Terminated vested participants not yet receiving benefits | 6 |
| Active employees - vested | 15 |
| Total | 29 |

*Contributions.* The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2024, the County's contribution rate was 9.7% of annual covered payroll. The County's contribution to the Plan was $61,220 for the year ended June 30, 2024.

## NOTE 10 PENSION PLAN (CONTINUED)

**Plan Description (Continued)**

**Net Pension Liability of the County**

The County's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

*Actuarial assumptions.* The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Cost of living adjustment | Not applicable |
| Salary increases | 4.50% to 5.50% per year adjusted for age |
| Investment rate of return | 7.00% per year |

Mortality rates were based on the Pub-2010 GE (50%) & PS (50%) projected with Scale AA to 2022. The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for February, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Trustees' guidelines for asset allocation are as follows:

| Asset class | Target allocation | Range |
|---|---|---|
| Fixed income | 30% | 25% - 35% |
| Equities: | | |
| Large Cap | 30% | 25% - 35% |
| Med Cap | 5% | 2.5% - 10% |
| Small Cap | 5% | 2.5% - 10% |
| REIT | 5% | 2.5% - 10% |
| International | 15% | 10% - 20% |
| Multi Cap | 5% | 2.5% - 10% |
| Global Allocation | 5% | 2.5% - 10% |
| Total | 100% | |

*Discount rate.* The discount rate used to measure the total pension liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability of the County.* The changes in the components of the net pension liability of the County for the fiscal year ended June 30, 2024 were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| **Balances at June 30, 2023** | $ 598 125 | $ 333 873 | $ 264 252 |
| **Changes for the year:** | | | |
| Service cost | 13 942 | - | 13 942 |
| Interest | 40 832 | - | 40 832 |
| Differences between expected and actual experience | 3 279 | - | 3 279 |
| Assumption change | (1 527) | - | (1 527) |
| Contributions—employer | - | 61 220 | (61 220) |
| Net investment income (loss) | - | 46 172 | (46 172) |
| Benefit payments, including refunds of employee | (29 625) | (29 625) | - |
| Asset transfer | - | 791 | (791) |
| Other changes* | - | (1 434) | 1 434 |
| Administrative expense | - | (23 267) | 23 267 |
| **Net changes** | 26 901 | 53 857 | (26 956) |
| **Balances at June 30, 2024** | $ 625 026 | $ 387 731 | $ 237 295 |

* Other Changes include Investment Expense of $1,434.

## NOTE 10 PENSION PLAN (CONTINUED)

**Net Pension Liability of the County (Continued)**

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| County's net pension liability | $ 689 983 | $ 625 026 | $ 569 622 |

Changes in the Net Pension Liability of the County. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2021 and the current sharing pattern of costs between employer and employee.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2024, the County recognized pension expense of $85,202. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
|---|---|---|
| Differences between expected and actual experience | $ 44 166 | $ 29 274 |
| Net difference between projected and actual earnings on pension plan investments | 42 939 | - |
| Pension assumption changes | 1 361 | 1 135 |
| County contributions subsequent to the measurement date | - | - |
| Total | $ 88 466 | $ 30 409 |

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

There were no County contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending June 30: | |
|---|---|
| 2025 | $ 3 279 |
| 2026 | 40 212 |
| 2027 | 14 360 |
| 2028 | 206 |
| Total | $ 58 057 |

## NOTE 11 DEFERRED COMPENSATION PLAN

Schley County has adopted the ACCG Deferred Compensation Program created in accordance with Internal Revenue Code Section 457. The plan is administered by the Governmental Employee Benefits Corporation of Georgia (GEBCorp), 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339. Eligible employees, including elected or appointed officials, may elect to participate in the in the plan. All amounts of compensation deferred, all property rights purchased and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries.

Plan benefit provisions and contribution requirements can be amended by the Board of Commissioners. For the year ended June 30, 2024, employees contributed $81,792. Schley County is not required to contribute to the plan, however, the County contributed $3,902 for 2024.

## NOTE 12 OTHER BENEFIT PLANS

The County provides certain group health insurance benefits to eligible employees and elected officials who are employed over 90 days and elect the coverage. The County's expense for the year ended June 30, 2024, was $264,899.

Various county employees and elected officials are covered under the following plans: Georgia Firefighters' Pension Fund, Magistrates' Retirement Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Sheriffs Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

## NOTE 13 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined the Georgia Interlocal Risk Management Agency for property and liability insurance and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

There have been no significant reductions of insurance coverage from coverage in the previous year, and settled claims in the past three years have not exceeded the coverage.

## NOTE 14 COMMITMENTS AND CONTINGENCIES

### Litigation

The County is not involved in any litigation, nor is management aware of any pending litigation against Schley County.

### Grant Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Based upon prior experience, management believes such disallowances, if any, will not be significant.

## NOTE 15 JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

**River Valley Regional Commission:** Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Middle Flint Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2024, the County paid $3,970 in such dues. Membership in Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commissions in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

Separate financial statements may be obtained from: River Valley Regional Commission, P.O. Box 1908, Columbus, Georgia 31902-4908.

**NOTE 15 JOINT VENTURES (CONTINUED)**

**Middle Flint Regional E-911 Authority:** Pursuant to the authority granted in OCGA Section 46-5- 120 et. Seq., Schley County is a "Participating County", together with Dooly, Macon, Marion, Sumter, Talbot, Taylor, and Webster Counties, in the Middle Flint Regional E-911 Authority ("Authority"). The Authority is governed by an eight-member board appointed by the participating counties. The Authority maintains custody and control of the equipment and furnishings at the E-911 Center, located in Ellaville, Georgia. Each Participating County holds interest in the title to the equipment in such portion as each county has subscribers as of January 1 of each year. The E-911 Center will receive telephone calls relating to public safety; it will provide emergency call answering services dispatching Funding for the E-911 Center is derived from a service charge added to telephone subscribers in the six Participating Counties. Operating costs not covered by the service charge will be paid by the Participating Counties in accordance with their relative number of subscribers. Schley County contributed $32,999 to the Authority during the twelve months ended June 30, 2024.

Financial statements for the Middle Flint Regional E-911 Authority can be obtained from: Middle Flint Regional E-911 Center, 222 Hayes Avenue, Ellaville, Georgia 31806.

**NOTE 16 RELATED ORGANIZATIONS**

An organization for which a primary government is not financially accountable (because it does not have a financial benefit or burden relationship) even though the primary government may appoint a voting majority of the organization's governing board.

**Schley - Sumter - Macon - Webster Counties Joint Development Authority:** The four counties by separate and concurrent resolutions created the Authority under O.C.G.A. 36-62-5.1 to promote and expand business, industry and trade in Schley, Sumter, Webster and Macon Counties, and to attract and support new business industry, to provide increased employment for the citizens living within the jurisdiction of the Authority, and to expand the ad valorem property tax base for the four counties. The Authority is controlled by a nine-member board of directors consisting of three members from each county appointed by each Board of County Commissioners. No dues are required or paid by the participating counties.

Financial statements for the Schley - Sumter - Macon- Webster Counties Joint Development Authority may be obtained from their office at 409 Elm Avenue, Americus, Georgia 31709

**NOTE 17 RELATED PARTIES**

One member of the Board of Commissioners owns a repair shop which the County uses for vehicle and equipment service and repair. Total paid by the company during this fiscal year was $17,195. The Board of Commissioners was aware of these transactions, and the costs are reasonable, furthermore they maintain the position that the services provided by this commissioner is necessary and no other companies within a reasonable proximity to Schley County are qualified.

**NOTE 18 CHANGES WITHIN THE FINANCIAL REPORTING ENTITY**

**Restatement of the Net Position Beginning Balance**

During fiscal year 2024, changes within the financial reporting entity resulted in restatements of beginning net position. The change was due to the new major Capital Projects Fund disclosed in a separate column as part of the Governmental funds.

The impact of the change within the financial reporting entity is as follows:

| | June 30, 2023 As previously reported | Changes within the Financial Reporting Entity | June 30, 2023 As restated |
|---|---|---|---|
| **Governmental Funds** | | | |
| General Fund | $ 651 928 | $ (185 800.00) | $ 466 128 |
| Capital Projects Fund | - | 185 800.00 | 185 800 |
| **Total Primary Government** | $ 651 928 | - | $ 651 928 |

# REQUIRED SUPPLEMENTARY INFORMATION

**SCHLEY COUNTY, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**RETIREMENT PLAN**
**SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS**

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Total pension liability** | | | | | |
| Service cost | $ 13 942 | $ 30 608 | $ 25 263 | $ 25 361 | $ 17 728 |
| Interest on total pension liability | 40 832 | 46 668 | 42 636 | 39 167 | 33 006 |
| Changes of benefit terms | - | (185 892) | - | - | - |
| Liability experience (gain) / loss | 3 279 | 52 039 | 24 616 | 15 696 | 20 426 |
| Change in assumptions | (1 527) | 1 322 | 1 140 | 1 153 | 26 063 |
| Benefit payments, including refunds of member contributions | (29 625) | (26 621) | (22 739) | (31 820) | (18 411) |
| **Net change in total pension liability** | 26 901 | (81 876) | 70 916 | 49 557 | 78 812 |
| **Total pension liability - beginning** | 598 125 | 680 001 | 609 085 | 559 528 | 480 716 |
| **Total pension liability - ending (a)** | $ 625 026 | $ 598 125 | $ 680 001 | $ 609 085 | $ 559 528 |
| **Plan fiduciary net position** | | | | | |
| Contributions - employer | $ 61 220 | $ 81 266 | $ 72 830 | $ 60 778 | $ 47 181 |
| Net investment income (loss) | 46 172 | (49 346) | 40 640 | 28 021 | 38 154 |
| Benefit payments, including refunds of member contributions | (29 625) | (26 621) | (21 970) | (30 744) | (18 411) |
| Asset transfer | 791 | - | - | - | - |
| Administrative expenses | (23 267) | (22 535) | (19 533) | (19 356) | (17 768) |
| Other | (1 434) | (1 209) | (1 212) | (961) | (1 003) |
| **Net change in plan fiduciary net position** | 53 857 | (18 445) | 70 755 | 37 738 | 48 153 |
| **Plan fiduciary net position - beginning** | 333 873 | 352 318 | 281 563 | 243 825 | 195 672 |
| **Plan fiduciary net position - ending (b)** | $ 387 731 | $ 333 873 | $ 352 318 | $ 281 563 | $ 243 825 |
| **County's net pension liability - ending (a) - (b)** | $ 237 295 | $ 264 252 | $ 327 683 | $ 327 522 | $ 315 703 |
| **Plan fiduciary net position as a percentage of the total pension liability** | 62.03% | 55.82% | 51.81% | 46.23% | 43.58% |
| **Covered payroll** | $ 631 053 | $ 747 746 | $ 651 154 | $ 692 111 | $ 572 578 |
| **County's net pension liability as a percentage of covered payroll** | 37.60% | 35.34% | 50.32% | 47.32% | 55.14% |

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **Total pension liability** | | | | | |
| Service cost | $ 15 459 | $ 11 693 | $ 10 473 | $ 8 893 | $ 6 614 |
| Interest on total pension liability | 29 572 | 30 330 | 28 952 | 24 988 | 24 660 |
| Changes of benefit terms | - | - | - | - | - |
| Liability experience (gain) / loss | 22 578 | (6 998) | (10 618) | 21 141 | - |
| Change in assumptions | 13 596 | (8 784) | 12 262 | 15 327 | - |
| Benefit payments, including refunds of member contributions | (16 749) | (28 321) | (17 500) | (17 500) | (18 157) |
| **Net change in total pension liability** | 64 456 | (2 080) | 23 569 | 52 849 | 13 117 |
| **Total pension liability - beginning** | 416 260 | 418 340 | 394 771 | 341 922 | 328 805 |
| **Total pension liability - ending (a)** | $ 480 716 | $ 416 260 | $ 418 340 | $ 394 771 | $ 341 922 |
| **Plan fiduciary net position** | | | | | |
| Contributions - employer | $ 39 818 | $ 31 730 | $ - | $ - | $ 23 904 |
| Net investment income | (7 636) | 29 179 | 10 268 | 953 | 15 046 |
| Benefit payments, including refunds of member contributions | (16 749) | (27 330) | (17 500) | (17 500) | (17 501) |
| Administrative expenses | (6 700) | (3 660) | (7 457) | (3 873) | (3 105) |
| Other | (15 788) | (1 494) | (1 534) | (1 645) | (14 376) |
| **Net change in plan fiduciary net position** | (7 055) | 28 425 | (16 223) | (22 065) | 3 968 |
| **Plan fiduciary net position - beginning** | 202 727 | 174 302 | 190 525 | 212 590 | 208 622 |
| **Plan fiduciary net position - ending (b)** | $ 195 672 | $ 202 727 | $ 174 302 | $ 190 525 | $ 212 590 |
| County's net pension liability - ending (a) - (b) | $ 285 044 | $ 213 533 | $ 244 038 | $ 204 246 | $ 129 332 |
| **Plan fiduciary net position as a percentage of the total pension liability** | 40.70% | 48.70% | 41.67% | 48.26% | 62.17% |
| **Covered payroll** | $ 529 984 | $ 370 669 | $ 405 184 | $ 393 452 | $ 306 494 |
| **County's net pension liability as a percentage of covered payroll** | 53.78% | 57.61% | 60.23% | 51.91% | 42.20% |

**SCHLEY COUNTY, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**RETIREMENT PLAN**
**SCHEDULE OF COUNTY CONTRIBUTIONS**

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $ 61 220 | $ 81 266 | $ 72 830 | $ 60 778 | $ 47 181 |
| Contributions in relation to the actuarially determined contribution | 61 220 | 81 266 | 72 830 | 60 778 | 47 181 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 631 053 | $ 747 746 | $ 651 154 | $ 692 111 | $ 572 578 |
| Contributions as a percentage of covered payroll | 9.70% | 10.87% | 11.18% | 8.78% | 8.24% |

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $ 39 818 | $ 31 730 | $ 32 598 | $ 26 604 | $ 21 384 |
| Contributions in relation to the actuarially determined contribution | 39 818 | 31 730 | - | - | 23 904 |
| Contribution deficiency (excess) | $ - | $ - | $ 32 598 | $ 26 604 | $ (2 520) |
| Covered payroll | $ 529 984 | $ 370 669 | $ 405 184 | $ 393 452 | $ 306 494 |
| Contributions as a percentage of covered payroll | 7.51% | 8.56% | 0.00% | 0.00% | 7.80% |

**Notes to the schedule:**

| | |
|---|---|
| Valuation date | January 1, 2024 |
| Funding method | Entry age normal |
| Actuarial asset valuation method | Smoothed market with a 5-year smoothing period |
| Assumed rate of return on investments | 7.00% |
| Projected salary increases | N/A |
| Cost of living adjustment | N/A |
| Amortization method | Closed level dollar for unfunded liability |
| Remaining amortization period | 14.4 |

**SCHLEY COUNTY, GEORGIA**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | Budgeted Amounts | | Actual on a | Variance with |
|---|---|---|---|---|
| | Original | Final | Budgetary Basis | Final Budget |
| **REVENUES:** | | | | |
| Property and timber taxes | $ 1 580 000 | $ 1 580 000 | $ 1 381 959 | $ (198 041) |
| Motor vehicle and mobile home taxes | 73 500 | 73 500 | 61 907 | (11 593) |
| Title ad valorem tax | 235 000 | 235 000 | 264 320 | 29 320 |
| Sales tax | 250 000 | 250 000 | 362 696 | 112 696 |
| Insurance premium tax | 200 000 | 200 000 | 242 628 | 42 628 |
| Financial institutions tax | 15 000 | 15 000 | 19 545 | 4 545 |
| Other taxes | 106 700 | 106 700 | 135 590 | 28 890 |
| Licenses and permits | 25 000 | 25 000 | 26 173 | 1 173 |
| Intergovernmental revenue | 286 050 | 286 050 | 19 170 | (266 880) |
| Charges for services | 520 448 | 520 448 | 867 822 | 347 374 |
| Fines and forfeitures | 5 000 | 5 000 | 11 715 | 6 715 |
| Interest income | 120 | 120 | 155 | 35 |
| Miscellaneous | 102 035 | 102 035 | 78 171 | (23 864) |
| Total revenues | 3 398 853 | 3 398 853 | 3 471 851 | 72 998 |
| **EXPENDITURES:** | | | | |
| Current operating expenditures | | | | |
| General government | 1 034 274 | 1 034 274 | 1 215 740 | (181 466) |
| Judicial | 365 559 | 365 559 | 386 451 | (20 892) |
| Public safety | 1 345 898 | 1 345 898 | 1 661 390 | (315 492) |
| Public works | 341 829 | 341 829 | 346 960 | (5 131) |
| Health and welfare | 80 760 | 80 760 | 45 860 | 34 900 |
| Culture and recreation | 87 145 | 87 145 | 85 967 | 1 178 |
| Housing and development | 33 849 | 33 849 | 25 471 | 8 378 |
| Debt service: | | | | |
| Principal repayments | 60 000 | 60 000 | 10 100 | 50 |
| Interest and fiscal charges | - | - | 4 481 | (4 481) |
| Total expenditures | 3 349 314 | 3 349 314 | 3 782 420 | (433 106) |
| Excess (deficiency) of revenues over expenditures | 49 539 | 49 539 | (310 569) | (360 108) |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Proceeds from sale of capital assets | 105 863 | 105 863 | 34 445 | (71 418) |
| Issuance of long-term debt | - | - | 100 000 | 100 000 |
| Transfers in | - | - | 196 766 | 196 766 |
| Transfers out | (155 402) | (155 402) | (148 469) | 6 933 |
| Total other financing sources (uses) | (49 539) | (49 539) | 182 742 | 232 281 |
| **NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)** | $ - | $ - | (127 827) | $ (127 827) |
| **FUND BALANCES, BEGINNING OF YEAR** | | | 466 128 | |
| **FUND BALANCES, END OF YEAR** | | | $ 338 301 | |

The variance is as a result of increased salaries which were not budgeted for. The excesses were funded with revenue overages, existing unassisgned fund balance and cost savings in other departments.

**SCHLEY COUNTY, GEORGIA**
**ARPA GRANT FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | Budgeted Amounts | | Actual on a | Variance with |
|---|---|---|---|---|
| | Original | Final | Budgetary Basis | Final Budget |
| **Revenues:** | | | | |
| Intergovernmental | $ - | $ - | $ 150 000 | $ 150 000 |
| Investment earnings (loss) | - | - | - | - |
| Total revenues | - | - | 150 000 | 150 000 |
| **Other financing sources (uses):** | | | | |
| Transfers out | - | - | (150 000) | (150 000) |
| Total other financing sources (uses) | - | - | (150 000) | (150 000) |
| **Net change in fund balances (budgetary basis)** | $ - | $ - | 150 000 | $ 150 000 |
| **Fund balances, beginning of year** | | | - | |
| **Fund balances, end of year** | | | $ - | |

The variance is as a result of matching a grant was not budgeted for. The excesses were funded with the recognition of revenue from the unearned revenue account.

**SCHLEY COUNTY, GEORGIA**
**COMBINING BALANCE SHEET**
**NON-MAJOR GOVERNMENTAL FUNDS**
**JUNE 30, 2024**

| | Special Revenue Funds | | | | | | | Capital Projects Fund | Total |
|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | **Law Library** | **Drug Forfeiture Fund** | **Jail Construction Fund** | **Clerk's Account** | **Sheriff's Drug Fund** | **Sheriff's Miscellaneous Account** | **Jail Inmate Services Fund** | **SPLOST 2013** | **Nonmajor Governmental Funds** |
| Cash and cash equivalents | $ 31 575 | $ 17 265 | $ 7 584 | $ 4 817 | $ 5 341 | $ 7 182 | $ 4 911 | $ 16 235 | $ 94 910 |
| Due from other funds | - | - | - | - | - | - | - | - | - |
| Total assets | $ 31 575 | $ 17 265 | $ 7 584 | $ 4 817 | $ 5 341 | $ 7 182 | $ 4 911 | $ 16 235 | $ 94 910 |
| **FUND BALANCES** | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - |
| Restricted | | | | | | | | | |
| Capital projects | - | - | - | - | - | - | - | 16 235 | 16 235 |
| Judicial | 31 575 | - | - | 4 817 | - | - | - | - | 36 392 |
| Public safety | - | 17 265 | 7 584 | - | 5 341 | - | - | - | 30 190 |
| Committed | - | - | - | - | - | - | 4 911 | - | 4 911 |
| Assigned | | | | | | | | | |
| Capital projects | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 7 182 | - | - | 7 182 |
| Unassigned | - | - | - | - | - | - | - | - | - |
| Total fund balances | 31 575 | 17 265 | 7 584 | 4 817 | 5 341 | 7 182 | 4 911 | 16 235 | 94 910 |
| Total liabilities and fund balances | $ 31 575 | $ 17 265 | $ 7 584 | $ 4 817 | $ 5 341 | $ 7 182 | $ 4 911 | $ 16 235 | $ 94 910 |

**SCHLEY COUNTY, GEORGIA**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NON-MAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | Special Revenue Funds | | | | | | | Capital Projects Fund | |
|---|---|---|---|---|---|---|---|---|---|
| | Law Library | Drug Forfeiture Fund | Jail Construction Fund | Clerk's Account | Sheriff's Drug Fund | Sheriff's Miscellaneous Account | Jail Inmate Services Fund | SPLOST 2013 | Total Nonmajor Governmental Funds |
| **Revenues:** | | | | | | | | | |
| Fines and forfeitures | $ 2 965 | $ 1 200 | $ 4 737 | $ - | $ - | $ - | $ - | $ - | $ 8 902 |
| Interest income | - | 8 | 3 | - | - | - | - | - | 11 |
| Other revenues | - | - | - | 3 662 | 3 984 | 5 690 | 1 752 | - | 15 088 |
| Total revenues | 2 965 | 1 208 | 4 740 | 3 662 | 3 984 | 5 690 | 1 752 | - | 24 001 |
| **Expenditures:** | | | | | | | | | |
| Current: | | | | | | | | | |
| Judicial | $ 1 375 | $ - | $ - | $ 2 335 | $ - | $ - | $ - | $ - | 3 710 |
| Public safety | - | - | - | - | 4 523 | 4 575 | 683 | - | 9 781 |
| Capital outlay | - | - | - | - | - | - | - | 5 355 | 5 355 |
| Total expenditures | 1 375 | - | - | 2 335 | 4 523 | 4 575 | 683 | 5 355 | 18 846 |
| Excess (deficiency) of revenues over expenditures | 1 590 | 1 208 | 4 740 | 1 327 | (539) | 1 115 | 1 069 | (5 355) | 5 155 |
| **Fund balances, beginning of year** | 29 985 | 16 057 | 2 844 | 3 490 | 5 880 | 6 067 | 3 842 | 21 590 | 89 755 |
| **Fund balances, end of year** | $ 31 575 | $ 17 265 | $ 7 584 | $ 4 817 | $ 5 341 | $ 7 182 | $ 4 911 | $ 16 235 | $ 94 910 |

**SCHLEY COUNTY, GEORGIA**
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**
**CUSTODIAL FUNDS**
**JUNE 30, 2024**

| **ASSETS** | **Tax Commissioner** | **Clerk of Superior Court** | **Sheriff** | **Probate Court** | **Magistrate Court** | **Total** |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ 561 | $ 22 279 | $ 560 | $ 7 480 | $ 1 412 | $ 32 292 |
| Taxes receivable | 190 | - | - | - | - | 189 525 |
| Total assets | $ 190 086 | $ 22 279 | $ 560 | $ 7 480 | $ 1 412 | $ 221 817 |
| **LIABILITIES** | | | | | | |
| Due to other agencies | 561 | 13 171 | - | 7 480 | 1 412 | 22 624 |
| Uncollected taxes | 189 525 | - | - | - | - | 189 525 |
| Total liabilities | 190 086 | 13 171 | - | 7 480 | 1 412 | 212 149 |
| **NET POSITION** | | | | | | |
| Restricted: | | | | | | |
| Individual organizations, and other governments | - | 9 108 | 560 | - | - | 9 668 |
| Total net position | $ - | $ 9 108 | $ 560 | $ - | $ - | $ 9 668 |

**SCHLEY COUNTY, GEORGIA**
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**CUSTODIAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| | Tax Commissioner | Clerk of Superior Court | Sheriff | Probate Court | Magistrate Court | Total |
|---|---|---|---|---|---|---|
| **Additions:** | | | | | | |
| Taxes collected for other agencies | $ 3 790 344 | $ - | $ - | $ - | $ - | $ 3 790 344 |
| Court fines and fees collected for other agencies | - | 58 642 | - | 38 707 | 5 150 | 102 499 |
| Other custodial collections | - | 14 799 | 3 228 | - | 13 535 | 31 562 |
| Total additions | 3 790 344 | 73 441 | 3 228 | 38 707 | 18 685 | 3 924 405 |
| **Deductions:** | | | | | | |
| Taxes paid to other governments | 3 790 344 | - | - | - | - | 3 790 344 |
| Court fines and fees disbursed to other agencies | - | 58 642 | - | 38 707 | 5 150 | 102 499 |
| Other custodial disbursements | - | 15 278 | 3 228 | - | 13 535 | 32 041 |
| Total deductions | 3 790 344 | 73 920 | 3 228 | 38 707 | 18 685 | 3 924 884 |
| Net decrease in fiduciary net position | - | (479) | - | - | - | (479) |
| **Net position, beginning of year** | - | 9 587 | 560 | - | - | 10 147 |
| **Net position, end of year** | $ - | $ 9 108 | $ 560 | $ - | $ - | $ 9 668 |

# SUPPLEMENTARY INFORMATION

**SCHLEY COUNTY, GEORGIA**
**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM**
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**
**FOR THE YEAR ENDED JUNE 30, 2024**

| PROJECT | ESTIMATED COST ORIGINAL | ESTIMATED COST CURRENT | EXPENDITURES PRIOR | EXPENDITURES CURRENT | EXPENDITURES TOTAL | PROJECT COMPLETION |
|---|---|---|---|---|---|---|
| Courthouse Renovation / Expansion | $ 400 000 | $ 400 000 | $ 571 313 | $ 10 240 | $ 581 553 | 145% |
| Renovations and Improvements to the existing recreation facilities | 250 000 | 250 000 | 5 047 | 316 650 | 321 697 | 129% |
| Fire Truck (Class A Pumper) | 110 000 | 110 000 | - | - | - | 0% |
| Ambulance | 90 000 | 90 000 | 252 896 | - | 252 896 | 281% |
| Building Repairs / Renovations to County Buildings | 140 000 | 140 000 | 134 292 | 7 277 | 141 569 | 101% |
| 3 Sheriff Vehicles | 100 000 | 100 000 | 181 013 | - | 181 013 | 181% |
| Road Department Equipment | | | | | | |
| Pick-up Truck | 25 000 | 25 000 | 70 622 | - | 70 622 | 282% |
| Front-end Loader | 80 000 | 80 000 | - | - | - | 0% |
| Dump Truck | 50 000 | 50 000 | - | - | - | 0% |
| Road Equipment | 85 000 | 85 000 | - | - | - | 0% |
| Fire Station | 100 000 | 100 000 | - | - | - | 0% |
| Additional Covered Storage | 30 000 | 30 000 | 12 287 | - | 12 287 | 41% |
| Rescue Truck | 40 000 | 40 000 | 50 470 | - | 50 470 | 126% |
| Extraction Tools & Equipment | 75 000 | 75 000 | 5 375 | - | 5 375 | 7% |
| Bank charges & Legal Advertising | - | - | 345 | - | 345 | 345% |
| **Total County Projects** | $ 1 575 000 | $ 1 575 000 | $ 1 283 660 | $ 334 167 | $ 1 617 827 | |
| **Tax allocation paid to City of Ellaville** | 725 000 | 725 000 | 558 157 | 179 859 | 738 016 | |
| **SPLOST funds used** | $ 2 300 000 | $ 2 300 000 | $ 1 841 817 | $ 514 026 | $ 2 355 843 | |

The following supplemental revenues have been received and expended for the following projects:

| | PRIOR | CURRENT | TOTAL |
|---|---|---|---|
| Contribution from City of Ellaville for Courthouse Christmas Lights | 7 000 | - | 7 000 |
| Transfer in from the General Fund for Courthouse Renovation | 1 500 | - | 1 500 |
| Transfer in from 2003-07 SPLOST for Courthouse Renovation | 75 706 | - | 75 706 |
| Transfer in from 2003-07 SPLOST for Sheriff's Vehicle | 29 031 | - | 29 031 |
| | 113 237 | - | 113 237 |
| SPLOST funds used | $ 1 955 054 | $ 514 026 | $ 2 469 080 |

**Notes:**

(1) The County follows the accrual basis of accounting in preparing this schedule. The method is consistent with the preparation of the County's financial statements. There are no differences between the current year expenditures reported on this schedule and the and the .expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balances on Page 7.

(2) On November 2012, the voters of Schley County approved a special 1% sales tax to become effective July 1, 2013. This Special Purpose Sales Tax is a joint effort with the City of Ellaville, Georgia. The County received 100% of the distributions from the State of Georgia and in turn distributes funds to the City as required.

(3) Courthouse renovation have been funded as follows:

| | |
|---|---|
| SPLOST funds | $ 581 553 |
| Contribution from the City of Ellaville | 7 000 |
| Transfer in from the General Fund | 1 500 |
| Transfer in from 2003-07 SPLOST | 75 706 |
| | $ 665 759 |

(4) Sheriff vehicles have been funded as follows:

| | |
|---|---|
| SPLOST funds | $ 133 994 |
| Transfer in from 2003-07 SPLOST | 29 031 |
| | $ 163 025 |

(5) Unexpended funds of $8,464.95 from the 2008-2013 SPLOST was transferred in on September 16, 2016.

# REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
of Schley County
Ellaville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Schley County, Georgia's (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated December 30, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, we do not express an opinion on the effectiveness of County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in 2024-3 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in 2024-1 to 2024-2 and 2024-4 to be significant deficiencies.

**2024-1** **Approved timesheets:** During the testing, we noted that not all timesheets were signed by department heads, which brings to question whether time were appropriately approved, and can result in unauthorized overtime paid. The County should ensure that all timesheets are reviewed and approved by the respective department heads before the payroll runs.

**2024-2** **Reconciliation of account balances:** The County does not keep record or prepare year end accruals to account for the correct balance sheet closing balances. This may result in inaccurate data used to make significant budgetary and operational decisions, and various audit adjustments were required to correct account balances at year end. The County's controls should include periodic reconciliations of significant account balances, including full accrual-based reconciliations at fiscal year-end to ensure all amounts have been appropriately recorded and budgeted for.

**2024-3** **Segregation of duties:** During the audit it was noted that there are limited segregation of duties over cash and payroll. There should be at least two people involved in the collection, reconciliation and depositing of cash received, as well as a review function over payroll runs. We recommend the County clerk or assistant clerk becomes involved in the cash collection process, as well as encouraging the County Manager to review and approve payroll reports before payment.

**2024-**4 **Account posting errors (repeat comment):** There were numerous posting errors with regards to interfund transfers and balances (posted in one fund, but posting does not reflect in the other fund. This resulted in incomplete accounting information.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described below.

**2024-5** **Missing Budget for Special Revenue fund:** There were no formal budget adopted for the ARPA Grant Fund. We suggest that the County prepare and approve a balanced budget for the ARPA Grant Fund.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CKH CPAs and Advisors, LLC*

CKH CPA's and Advisors, LLC
Atlanta, Georgia
December 30, 2024

**2024-1 Approved timesheets**

Criteria: All timesheets should be approved by the respective department heads to ensure that overtime are authorized.

Condition: During the audit, it was noted that not all timesheets were approved by the department heads.

Cause: Insufficient oversight over timecards submitted by staff.

Effect: This may lead to unauthorized overtime paid to staff.

Recommendation: We recommend that the County ensures that all timecards are reviewed by the respective department heads before the timecards are submitted to the finance staff responsible for preparing the payroll.

County's Response: The County agrees with the finding and will remind the department heads to ensure all timecards are reviewed and signed as proof of approval. The Mayor has taken over the responsibility for approving timecards for all staff members before the payroll is paid out.

**2024-2 Reconciliation of account balances**

Criteria: All accounts should be reviewed and reconciled to supporting documents or schedules at year end.

Condition: No schedules or reconciliations were prepared during the year to support the closing balances presented in the financial statements.

Cause: Lack of resources to prepare and review the schedules required.

Effect: Information in the accounting software is inaccurate and various audit adjustments were required to correctly account for the closing balances presented on the financial statements.

Recommendation: We recommend that the County implements certain processes and procedures to ensure that balances are regularly reviewed, and where possible, prepare schedules to be updated accordingly.

County's Response: The County agrees with this finding, we have employed a new finance manager who can assist with reviewing the accounting records to identify any discrepancies.

**2024-3 Segregation of duties**

Criteria: The County should ensure proper segregatoin of duties over each accounting function.

Condition: During the audit it was noted that there are limited segregaton of duties over cash and payroll. There should be at least two people involved in the collection, reconciliation and depositing of cash received, as well as a review function over payroll runs.

Cause: Lack of resources or insufficient oversight over cash and payroll functions.

Effect: May lead to missappropriation of cash and unathorised or incorrect payments being made.

Recommendation: We recommedn that the County clerk or assistant clerk becomes involved in the cash collection process, as well as encouraging the County Manager to review and approval payroll reports before payment.

County's Response: The County will review existing processes and identify where tasks can be divided among the existing finance staff and a review process can be implemented.

**2024-4 Account posting errors (repeat comment)**

Criteria: Good accounting policies require supervision and oversight of the accounting function.

Condition: Numerous posting errors especially in regards to interfund transfers.

Cause: Ineffective oversight and review.

Effect: Errors in accounting resulted in incomplete or inadequate financial reports.

Recommendation: Policies should be developed where the County clerk and County Manager review monthly financial reports. Particular attention should be given to transactions posted to balance sheet accounts.

County's Response: The County concurs with the finding, the interfund transafers and balances will be reviewed.

**2024-5 Missing budget for Special Revenue Fund**

| | |
|---|---|
| Criteria: | The County is required to present a balanced budget, and the budgeted expenditures should equal or exceed the actual expenses incurred during the financial year for all special revenue funds. |
| Condition: | The County did not adopt annual budgets for the ARPA fund. |
| Cause: | Insufficient oversight over budgets. |
| Effect: | Lack of budget for the special revenue fund. |
| Recommendation: | We recommend that the County reviews the budget to actual results on a regular basis and ensure that the necessary budget amendments are approved. |
| County's Response: | We agree with this finding, we will ensure that budgets are adopted for special revenue funds. |

**SCHLEY COUNTY, GEORGIA**
**SCHEDULE OF PRIOR YEAR FINDINGS**
**FOR THE YEAR ENDED JUNE 30, 2024**

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**2023-1 General Fund expenditures in excess of the budget**

| | |
|---|---|
| Criteria: | State law provides that Schley County adopt an annual balanced budget and follow procedures that limit expenditures exceeding the budget at Department level. |
| Condition: | Careful monitoring of expenditures compared to budget would alert management and the public to budget violations, and possible misuse of County resources. |
| Auditee Response / Status: | Resolved. |

**2023-2 Account posting errors**

| | |
|---|---|
| Criteria: | Good accounting policies require supervision and oversight of the accounting function. |
| Condition: | Numerous posting errors especially in regards to interfund transfers. |
| Auditee Response / Status: | Unresolved - see current finding 2024-4. |